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EX PARTE

February 7, 2003

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

**Re: WC Docket No. 02-237, Verizon Telephone Companies Section 63.71
Application to Discontinue Expanded Interconnection Service
Through Physical Collocation**

Dear Ms. Dortch:

In its January 29, 2003 *ex parte* letter, Conversent disputes Verizon's calculations of the cost savings that Conversent could achieve if the Commission approved Verizon's Section 214 application to discontinue offering expanded interconnection through physical collocation in its federal tariffs and allowed Verizon to provide supporting services to existing federal physical collocation arrangements through the state tariffs. Verizon showed that collocators would enjoy substantial reductions in their charges for DC power by converting from billing under the federal tariffs to billing under the state tariffs. In addition, Verizon proposed to provide annual credits for the difference between the space preparation charges in the federal and state tariffs in New England. Conversant accepts Verizon's estimates of the credits it would receive for space preparation charges, but it claims that its costs for DC power and space rental would increase. Conversent's analysis is seriously flawed and in no way represents the savings that collocators could obtain if the Commission approved Verizon's application.

Verizon demonstrated that its proposal to provide DC power to existing physical collocation arrangements through the state tariffs would produce millions of dollars of cost savings for the collocators, because Verizon bills for power in the federal tariffs on the basis of total fused amps, whereas Verizon bills for power in the state tariffs based on load amps. *See* Reply Comments of Verizon, Attachment. Citing Conversent's own statements that Conversent typically orders fused power at 120 amps (60 on the "A" feed and 60 on the "B" feed) to provide power to equipment drawing a total load of 40 amps, Verizon calculated that collocators could reduce the amount of power for which they are charged by at least two-thirds. *See id.*, 10 & fn. 1.

Conversent argues that a two-thirds reduction in billed amps is not representative, because Conversent has already reduced its "fused" amps to a lower level in order to reduce power charges in the federal tariffs. In the example above, Conversent argues that it has already reduced the fuse levels on each feed to 30 amps, producing a total of 60 fused amps.¹ Conversent argues that this would produce a reduction of only one-third in the amount of billed amps when converting from being billed 60 fused amps under the federal tariffs to being billed 40 load amps under the state tariffs.

This is not a realistic example, because in such a situation, if one of the feeds failed, the 40 amps of total load would shift to the remaining feed, which would fail because it is fused at only 30 amps. Conversent has repeatedly stated that, like other collocators, it uses two feeds as a fail-safe so that service will not be lost if power is interrupted on one of the feeds;

The purpose of ordering two feeds is to ensure a continuous flow of power if a fuse "blows" or one of the feeds otherwise becomes inoperable. Each feed is able to carry a maximum capacity equal to the amount of power that the attached collocated equipment is expected to use, or "drain."²

Conversent's example would not meet this requirement, because the maximum load capacity of the equipment would exceed the fuse capacity on each feed. At most, Conversent could safely place no more than 12 amps load on each 30 amp feed to permit load sharing and provide enough fuse capacity on each feed to carry the total load (24 load amps on a single 30 amp fuse). In fact, Conversent does not claim that it is actually drawing 40 amps, but that its equipment is capable of drawing up to that amount. *See* Conversent, fn. 7. Conversent has *ordered* 40 load amps in some of its power-down requests (20 load amps on each feed) because that is the only way that it could order a 30

¹ It should be noted that this contradicts Conversent's September 18, 2002 comments, where it stated (at 7) that it is billed for 60 amps per feed for a total of 120 amps per month for each collocation arrangement.

² Conversent Comments, 6; *see also* Letter from A. Renee Callahan, Attorney for Conversent Communications, to Magalie Roman Salas, CC Docket No. 98-147, at 5 (filed Mar. 6, 2001).

amp fuse on each feed under the federal tariffs, which allow a collocator to order fusing at no more than 1.5 times the ordered load. If Conversent actually placed a total of 40 amps of load on these feeds, it would have to have at least a 50 to 60 amp fuse on each lead to maintain the protection that it has always said it needs. Consequently, Verizon's assumption that a collocator could reduce its billed amps by an average of two thirds by converting from billing on the basis of fused amps under the federal tariffs to billing on the basis of load amps under the state tariffs remains valid.

Verizon's assumption that collocators could reduce the number of billed amps by about two thirds is consistent with the collocators' arguments in both federal and state proceedings that billing based on load amps would produce substantial savings. Just recently, AT&T and WorldCom admitted in a state proceeding that the conversion from billing based on fused amps to billing based on load amps "reduced inflated DC power charges to CLECs by factors of several times."³ This occurred because the number of fused amps is several times the number of load amps.

In its reply comments, Verizon demonstrated that Conversent would receive substantial credits for space preparation charges under Verizon's proposal if Conversent converted its federal collocation arrangements in New England to the state tariffs. Verizon also calculated that there would be only a modest increase in the monthly space rental fees. Conversent claims that the monthly space rental fees would increase by over ten times Verizon's estimates, but it provides no data to substantiate this. Since Conversent's data for its *current* space rental fees and DC power charges in New England under the federal tariffs are almost the same as Verizon's, and since Conversent accepted Verizon's calculations of its potential credits for space preparation charges, Conversent must have used the same assumptions as Verizon for the total square footage of its current federal collocation arrangements. Therefore, the differences in the estimates of space rental charges for these arrangements under the state tariffs must be due to Conversent's use of incorrect state pricing bands for its arrangements. Verizon has double-checked Conversent's collocation arrangements in each New England state and has confirmed that the total charges for space rental under the state tariffs would be at almost the same level as Conversent's current federal charges.

Even using Conversent's own data, it is clear that Conversent used the wrong state space rental rates. Conversent claims that its current space rental charges in New England under the federal tariffs are ****Begin Proprietary**** ****End Proprietary**** per month. The FCC Tariff No. 11 rate for space rental is \$2.04 per month. *See* Verizon Telephone Companies, Tariff FCC No. 11, Section 31.28.1(B)(2). Dividing ****Begin Proprietary**** ****End Proprietary**** by \$2.04 produces


³ Complaint and Petition for Declaratory Judgment of AT&T Communications New York, Inc. and WorldCom, Inc. Against Verizon-New York, Inc., For Unjust and Unreasonable Practices Concerning The Provisioning of Direct Current Power For Use In Connection With Collocation Spaces, State of New York Public Service Commission, Case 03-C-0085, at 7 (filed Jan. 22, 2003).

****Begin Proprietary**** ****End Proprietary**** square feet. Dividing this into the ****Begin Proprietary**** ****End Proprietary**** that Conversent claims it would be billed under the state tariffs produces an average state rate of \$2.94 per month. As noted in the following table, the only New England state tariff space rental rate that exceeds \$2.94 is the MA-Metro rate of \$3.33. Since the total number of Conversent collocation arrangements in MA-Metro central offices is actually ****Begin Proprietary**** ****End Proprietary****, and since the second highest New England state tariff space rate is only \$2.82, it is impossible for Conversent to have used the actual state rates to calculate its costs after conversion to the state tariffs.

VERIZON - East Tariff Space Rates				
State	State Physical per Square Foot	State SCOPE Per Equipment Bay*	FCC Physical per Square Foot	FCC SCOPE Per Equipment Bay*
MA-Metro	\$3.33	\$49.93	\$2.04	\$30.60
MA-Rural	\$2.82	\$42.35	\$2.04	\$30.60
MA-Suburban	\$2.14	\$32.04	\$2.04	\$30.60
MA-Urban	\$2.21	\$33.15	\$2.04	\$30.60
ME	\$1.92	\$28.83	\$2.04	\$30.60
NH-Rural	\$2.57	\$38.51	\$2.04	\$30.60
NH-Suburban	\$2.57	\$38.51	\$2.04	\$30.60
NH-Urban	\$2.57	\$38.51	\$2.04	\$30.60
RI	\$1.83	\$27.51	\$2.04	\$30.60
VT	\$2.01	\$30.15	\$2.04	\$30.60
*SCOPE Bays are 15 Square Feet				

For these reasons, Conversent is incorrect in arguing that its costs would go up if the Commission granted Verizon's section 214 application.

Sincerely,


Joseph DiBella

cc: Scott Sawyer
Jennifer McKee
Tamara Preiss
Jeff Dygert
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